



21 Talcott Notch Road, Suite 1, Farmington, Connecticut 06032
Phone: (860) 678-0005 • Fax: (860) 678-0006
www.theccic.org

Testimony for the Banks Committee
From
Judith B. Greiman
Connecticut Conference of Independent Colleges
March 11, 2014

On behalf of the member institutions of the Connecticut Conference of Independent Colleges (CCIC), I am submitting testimony on H.B. No. 5490: AN ACT CONCERNING FINANCIAL LITERACY. We are concerned that the bill places a mandate on our association that it has no authority or means to enforce.

HB 5490, in part, requires CCIC and the Board of Regents to ensure that every student that applies for a credit or debit card receive one-on-one financial literacy counseling or a one-page financial literacy sheet on the implications associated with using such credit or debit card.

By way of background, in 2009, the Connecticut General Assembly adopted P.A. 2009-167, AN ACT CONCERNING CREDIT CARD OFFERS ON COLLEGE CAMPUSES, which placed new restrictions on financial institutions and their marketing practices on Connecticut public colleges. The Federal "Credit Card Accountability, Responsibility, and Disclosure Act" (CARD Act), also passed in 2009, adopted similar marketing restrictions that applied to all students, public and private.

The CARD Act bans the use of gifts to entice college students to apply for credit cards and bars the marketing of pre-approved offers to those under 21 years old without their consent. It also prevents issuers from extending credit to someone under the age of 21, unless they have either proven their ability to make payments or have secured an adult cosigner. The total number of marketing agreements credit card issuers had with colleges, universities and affiliated groups like alumni associations in 2012 was down 41% from 2009, when the Credit Card Accountability, Responsibility, and Disclosure Act was passed, according to a report released in December by the Consumer Financial Protection Bureau.

Despite the decline in agreements, however, we recognize that there are still concerns regarding this issue, but do not have the authority, access or resources to do what is mandated in this legislation. CCIC is a membership association that represents the sixteen non-profit institutions of higher education in Connecticut. We have no direct access to students enrolled at our member institutions and no regulatory authority over our members or over credit card companies that market to students at our member campuses to ensure that this requirement is met. Additionally, our member institutions would not have access to information regarding which students have applied for such cards to enable them to meet this requirement for their students. It would be better done by the companies which would have the applicant data.

We welcome the opportunity to work with the co-chairs of this committee to address the concerns raised in this bill.

Albertus Magnus College, Connecticut College, Fairfield University, Goodwin College,
Mitchell College, Quinnipiac University, Rensselaer at Hartford, Sacred Heart University, Saint Joseph College, St. Vincent's College,
Trinity College, University of Bridgeport, University of Hartford, University of New Haven, Wesleyan University, Yale University